

A G E N D A



Recommendation for Council Action

Austin City Council

Item ID

59500

Agenda Number

22.

Meeting Date:

6/23/2016

Department:

Economic Development

Subject

Approve an ordinance creating a Media Production Development Zone pursuant to chapter 485A of the Texas Government Code.

Amount and Source of Funding

Fiscal Note

**Purchasing
Language:**

**Prior Council
Action:**

**For More
Information:**

Kevin Johns, Director, (512) 974-7802; David Colligan, Global Business Recruitment and Expansion Division, (512) 974-6381

**Council
Committee,
Boards and
Commission
Action:**

MBE / WBE:

Related Items:

Additional Backup Information

The State of Texas is working to strengthen its already-existing digital media and production industry in the face of strong competition from other states. Key assets in the industry – such as soundstages and other production facilities – are needed in the state in order to grow the industry. To encourage their construction, state law allows a two-year exemption from sales and use taxes normally charged on the construction, maintenance, expansion, improvement, renovation, and equipping of a production facility.

The Texas Media Production Development Zone Act (Act) was enacted to maintain and strengthen the media production industry in Texas in the face of strong competition from other states. Soundstages and other production facilities would be key assets in this effort. In order to take advantage of this economic development tool, the Council would have to first designate an area as a media production development zone, which is then approved by the Texas Film Commission. There are a limited number of zones allowed at any one time, and at the time of the launch of this RCA, no other zones had been designated. The zone proposed in the resolution meets all the criteria set forth in section 485A.101 of the Act, it is in a metropolitan statistical area in which the principal municipality has a population of more than 250,000, has the adequate workforce, infrastructure, facilities, or resources to support the

production and completion of moving image projects, is recognized as a zone by ordinance or order, and will contain a qualified media production location meeting the criteria in section 485A.102.

Once the zone is created, the Council may nominate locations as a qualified media production location and allow exemptions to the limited sales, excise, and use taxes pursuant to the Act and Texas Tax Code section 151.3415, to qualified persons who build, construct, renovate, improve, or expand a media production facility within the zone. The nomination of a location is further described in the related Economic Development Department item on this agenda.